

NIL FAQ

Welcome to the Prep Athletics podcast with Corey Heights on today's episode we have a very very fun topic to discuss and that is Nils that is name image and Likeness and who we're talking to today is two members of the Vertu brand And this is an agency that helps college athletes figure out these deals They have a lawyer on staff to review them and work with university compliance officers So we go through all of the basics and we get into some details about what nil deals are and how they can benefit college athletes We also talk about high schoolers and prep school uh athletes and whether or not they can do nil deals or not We talk about some of the biggest deals that have happened Some quirky deals and much more So consider this Nil 101 uh here in the prep athletics podcast if you like this be sure to subscribe to us on the youtube channel and all of the major podcasting platforms And now the podcast which is entitled Nil 101 Enjoy Welcome to the prep Athletics podcast This is Corey Heights some battles I'm I'm I'm not sure if they got us if they did maybe maybe you will get better as a player during that year So it was kind of exciting like oh yeah somebody wants me All right Ryan and Tom welcome to the podcast We're gonna start out with a very basic question here to kind of set a baseline for the conversation But Tom can you tell our listeners at the beginning here what an nil is Sure So to to keep it simple it stands for name image and likeness Um And the change in direction has been that now um athletes are able to profit off their name image and likeness whereas previously they've not been able to Um so it could be something as simple as um you know an an autograph session while they're still in school Not when they're when they've graduated it can be doing a a business promotion where a business will pay them a certain amount of money to make a social media post or an appearance or um a commercial or whatever that might be But it's really it's just a a new world that's been opened up to athletes where they can actually profit now off of their name image and likeness through business deals merchandise Um in all different sorts of ways When you say athlete we're talking college athlete here Are we talking nai A Juco NCAA all those leagues correct Yes that's correct That's correct So um na I actually led the way and changed their rules before everybody else But now it's it's across the board at all levels Um athletes can benefit off their name image and likeness at this point in regards to college high school it gets a little more convoluted but definitely now for college and when you say deals like um it seems like it could be 1000 different things

Can you expand on what you mean by deals specifically I know you said autograph session but like um it yeah expand on that a little bit Ok Sure I'll um I'll go through some of the just a couple of examples of what we've done with athletes So um any a simple one right now is merchandise Um so you can now athletes can set up their own brand um and sell merchandise with their whether it be their name their image of them or their likeness of them on merchandise They can now do that They couldn't do that in the past Um We have athletes who partner with businesses that instead of potentially hiring an actor or a professional athlete or somebody a coach anybody like that to endorse their product they can now hire the and pay the college athlete to be the star in that commercial Um There are businesses that are exchanging dollars or some sort of value for players doing social media posts A lot of these athletes have significant social media followers and um you know that's the they they'll pay the athletes to essentially promote their business or whatever they want on their social media accounts Um There's just a wide variety there's and the way that this is even trending now there's appearance fees you can pay athletes appearance fees Um some of these are tied to nonprofits um that are doing community service and work for athletes But um they're there's so many different ways um that athletes can now uh earn compensation through their name image and likeness So just a few examples Yeah and tell us about your company and how you aid athletes and and tell us the name of the company who's involved in in what you guys do to help the athletes Sure So our company is called Vitus Um that's Latin for virtue and honor Um and really our company from the jump we've set out to navigate um with athletes the image and likeness process to make sure that the athletes stay safe which I'm sure will hit on at some point Um The athlete earns um the businesses stay safe and get what they're paying for and the universities stay within compliance And so we really cover everything but our our big deal Yes we have a marketing team that goes out and finds business opportunities for athletes Um That's a big part of what we do but a lot of it is um compliance uh making sure that everybody stays within the guard rails of what's legal Um and when I say legal it's really with the NCAA um because at this point it's all legal but um to where nobody's eligibility is at stake um and we really offer um consulting services for athletes to make sure that they're maximizing their value um while again staying compliant So if I'm an old we have go ahead I'm sorry So so yes we we work with athletes um that will come to us and we'll partner with them to again um make sure that they're protected So every business deal that or

opportunity that may come through they have a full legal team that's gonna review that business deal to make sure that there's no um fine print um which we've seen um to make sure that the deal is fair to make sure that it's not taken advantage of the athlete eyes on their value Um So that's a uh that that's that's a key There's been many times when uh a business opportunity will come in at a certain level Um And when once we see the deal what the business is wanting will help craft a deal that's more beneficial to the athlete At the same time we have businesses that reach out um that that say hey I want to do a deal with an athlete So we help that business maximize their budget and get the most out of it as possible to where the business wins and the athlete wins and everybody stays safe in the process Got you So an athlete could do this on their own But one they might not get the best value Two they might miss something in the fine print and three they might be missing out on tons of businesses that would like to invest in them But they'll just never be able to get in front of because it's a one man shop That's that's correct And Nil is and Nil is brand new right now And so there's a lot of businesses that are hesitant because they've never worked with athletes before They don't really know they they might want to get in but they're kind of just dipping their toe in at this point And so um part of what we do is offer that confidence um to the businesses that yes the the athlete will perform um their duties as per the contract um and help guide that process Um Ryan did you have something to say on that Yeah and and just to your first two points Corey uh the protection piece of that is is so vital Um because we're talking about uh young people who have not been in a position where they've ever negotiated the terms of a contractor in terms of an agreement So what we've found that it's extremely helpful to have to have this third party voice that can say no you need to make sure that you have these certain terms within your agreement and you need to make sure that within those agreements that you do take take to pay close attention to the fine print And it's simple things Uh It's uh things for example like arbitration clauses ensuring that every contract that we put forward to a player has an arbitration clause simply because uh we don't want our player if there is a dispute Uh We don't want our player ever to be on the public docket where somebody would be able to see it So it's just a way a level of protection So that's that's really what um uh that we're our purpose is that's what we're trying to do is to protect everyone involved Let me ask you guys the story with hey go for it Sorry Um With that what we're really trying to accomplish as well is allow the athletes to focus on the classroom and their sport Um

We've seen that they're especially the more high profile athletes but um athletes of all levels are getting bombarded through Instagram direct messages email um reaching out to their parents and and it's becoming overwhelming because as Ryan mentioned earlier they've really not been through this before They've been uh they've been an athlete um and a student um and a son or a daughter and and diving into this world at age 18 19 20 21 You know it's it's advanced business at this point And so our goal is to take that pressure and that burden um off the athlete as well to where they can really focus in on what they are what they really should be focusing in on which is school and performing and getting better at their craft instead of being bogged down um with a lot of the day to day tasks necessary to do an nild Right Let me ask you this Let's we're gonna use the University of Kentucky basketball team just as an example throughout this conversation since we're all from Kentucky Uh and know that program say I'm a player at Kentucky and I wanna do a deal and and this can be for any uh power five program Do I need to run that deal by someone in the basketball or the athletic department to get approval first Yes Um Ryan do you want to take them through that Do you want to take everybody through that process with working with compliance Yes So uh for we're gonna use the University of Kentucky as an example Um and and uh the what the program the University of Kentucky uses is similar to what many other colleges use So the University of Kentucky has a program program called the Influencer app And what that does is allows uh players um whether they go and find the deals on their own or whether uh the deals are brought to them by somebody else that allows them to upload that to this influencer program Once it's uploaded the compliance department within the University of Kentucky will look at it whether they'll approve it or they won't approve it And and that is that is the level of compliance um through the in influencer app that is currently at the University of Kentucky So it will all go through this uh the this program what we've seen though Uh uh is that um it can still go through that app but it has not the contract itself has not been reviewed meaning that um there's still uh the possibility that uh deals that are not the most favorable to the player or the student athlete um are approved Um So that's why it's our belief that our role is vital in this to have an independent person reviewing these contracts to ensure that the terms are the most favorable to the student athlete and and um are protecting the university by remaining compliant with the guidelines that we're working under currently working under with the NCAA Ryan Give me an example of um a deal that the university

compliance office which would turn down I may be a better question is a a AAA deal that they would approve because we've seen a wide range of deals that uh have been approved and and um so uh but I can speak to what I know for sure would not be approved if you were to go out and to make a deal We in Kentucky if you were gonna go out and make a deal with Makers Mark can't do that Uh if you are gonna go and make a deal with Kingland um racing can't do that It's associated with gambling So we know the entities that you are off limits We know you can't make a deal with gambling You can't make a deal with alcohol tobacco or firearms You can't make a deal with uh um adult industries Uh so we know that those deals would get kicked out So being me uh based out here in Colorado if someone from cu wanted to strike a deal with a marijuana company or CBD company not gonna happen Ok Not gonna happen Ok perfect Has players tried that yet Um There's been some there's been some clever deals actually um and ways to kind of you know circumvent somehow um with some deals nationally where they're loosely affiliated maybe with an alcohol company Um somehow but there's no athlete that is um you know making a social media post on behalf of Bud Light you know or something like that It's it's not at that level Um And then and something I did want to get to quickly as well is um you mentioned a university that might be a power five university all the way down to nai a schools There are rules in place where if you do an NI I or an nil deal you do have to for example at the NA I level you have to let the athletics director know um that that deal is taking place So whatever level it is it does have to be submitted through the university Um whether through the compliance department or the athletics department no matter what level you're in it's it's not just free wheeling and doing everything on your own It does have to be submitted to the schools at any level But guys take take a program like Alabama with all those studs on the football team I mean you're gonna have to have a lot of compliance officers going through all these deals Right That that's right So if I'm seeing uh something coming through from Vertu I probably know in compliance uh this is probably already checked off the box I can fast track This is that kind of what you guys are proposing Well thank you Yes So through our due diligence and and again having in house counsel like Brian Maxwell is is huge Um We've actually you know we're a example on how you do contracts and um through some open records requests um with some contracts that we've done that have gone through um a university a certain university they actually chose our um contracts as an example to be to be shown to everybody And that's again one of the

advantages of working with you know a company that has their stuff together if if I could back up to a point you were you were making and it's a um important to make this distinction because it's different from university to university as it currently sits Um for example and I'll throw it throw this name out here Uh uh Some universities will allow student athletes to be uh to endorse Barstool Well uh Barstool is associated now with sports books So some universities say that's too close of a relation Um and we're not gonna allow it and other universities being more lenient say OK we are going to allow it So it it really is a university to university athletic department directive uh that dictates the bounds that we're playing in And I was curious about that because at cu color University the basketball team and the women's team play in the Coors Event Center right So that's why I'm curious like is cu gonna say hey if you're gonna do any deals on with Coors it's ok Is that a school by school rule Right Or is that a NC a rule No that that is a school by school And and in fact what we are currently working under and I'm sure we're gonna get to uh later on is an executive order that essentially says that these are the prohibited uh um businesses you cannot make deals with So it it's gonna be a school by school state by state issue and see the marketing side in me if I'm Tom you'll appreciate this But if I'm a small Juco in the middle of Wyoming and there's a marijuana dispensary in our town I'm gonna make national news for my Juco and say hey our team is sponsored by you know ABC cannabis and not that my players are doing it they're not allowed to do it but we're you know we've got to deal with them and that would be such a firestorm that everyone would know that school's name Right So that's why I was curious if that's a case by case basis because I can see some teams using this maybe uh whether it's gambling whether it's with um a a school that or I'll call beverage like the school you know brew club makes or you know something like marijuana or CBD I can see a school somehow making the controversy a good thing for them Now once again I need to reiterate this is that an athletic department rule or the NCAA through your executive order Ryan try to shut all that stuff down No Well so if if we can probably get to this now uh it's it's important to understand where we have come from to where we are Now It it it's the NCAA currently is is is saying pretty much hands off They're they're right now they're playing they're on the sidelines watching and seeing how things uh pan out So uh for example in Kentucky we're working under an executive order It's not actually a law Uh so we're being guided by the uh um universities compliance departments as well as knowing that through the NCAA what we are doing

cannot be considered an inducement It cannot be performance based meaning it can't be if you get 10 tackles on the football field you get an extra \$5000 Uh and it has to be a quid pro quo meaning if you're gonna pay a player or you're gonna compensate a player for something they have to give you something in return So those are essentially the guidelines that we're working on the specifics as to you can't deal with uh an alcohol tobacco firearms or adult industry or or or a gambling That is that is really the directive from the state that we're getting and and in fact it's not even a law it's an executive order you know each state come out with different laws and some may be more lenient to help their programs Exactly So what's happened is California really was on the cutting edge of this and you know California is so uh you know with the child uh child actor laws where uh young people were able to make money for years and years and years of the name the likeness they they were out in front of all this and and were the um most lenient and then you have more restrictive states Uh but frankly um through conversations with um other attorneys that are working in this uh this area Uh We actually believe that what will eventually happen will be it will be federal legislation uh potentially federal legislation and then it will be uh the NCAA directing conferences on uh what the actual rules of nil will be So it will be federally under the federal umbrella and then conference by conference is what we ultimately believe will happen Gotcha Now since it's the wild west right wild west right now And there's not many guidelines what's the worst case scenario that can happen with laws and guidelines that come down from federal and NC A Well here's I believe the more restrictive they are uh limiting you in the areas or the amount uh that um young people are student athletes are able to make I think a restriction on the amount of money uh that a young person would be able to make what probably is a worst case scenario Got you Uh Tom quid pro quo you have to do quid pro quo in all these deals Uh If someone just wants to give money to a kid what's like the least amount of quid pro quo a player would have to do um to justify getting paid Well and this is again where I where I defer to Ryan Maxwell but it'd be my understanding that even an appearance um an appearance fee um would be you know as as I guess as easy as it could be depending on what that is I mean just you know when you think of an appearance you think of somebody maybe speaking in front of a crowd or maybe showing up to a big event to add value to that event or whatnot But I would say that that would be as as lenient as it would be Yeah and I would agree with you 100% tom it the the situation that we're in is that really nobody understands what

the value of it What how much is an Instagram post uh worth Well it's worth what the business is willing to pay for Uh And that's the that's the the kind of the situation that we're living in now So a quid pro quo uh is pretty much um how much money are you willing to pay for an Instagram post or or or a Twitter post whatever the case may be So it's it's we're establishing that now Got you OK Since this is the prep school based podcast slash youtube channel Um And that's our main clientele here Can you guys break down how high schoolers or potential prep school players or post grads can take advantage or at least what advice you would give them to start thinking about when it comes to NIL and maybe their futures So Ryan if you wanna hit the legal part of it and then I'll give the uh what advice will you give them So as far as it goes for the uh high school athletics it's a and again state by state So your uh high school athletic Association uh has bylaws and within those bylaws it will state whether or not a high school athlete is able to make money off of the name Image of Likeness For example Kentucky a high school athlete is unable to make money off of their name image and likeness Ca conversely you are able to make money off of your name and likeness So it goes by a state by state issue uh a state by state Um I I can't off the top of my head Um It's and it's different all around For example Michigan is a lot like Kentucky where uh high school student athletes are not able to make money unless you uh the individual can't the high school athletic uh um association So it's different from state to state Yeah Um and and then in regards to you know advice and preparation and Corey we can dive into a little bit about pre uh prep schools for a second Um They are not a part many of them are not a part of their state associations Um In which case um Ryan Maxwell unless I'm mistaken um that it it essentially would make an athlete ineligible with their state high school association if they did an NIL deal However if you play for you know uh a team that is not a part of the uh state association you actually could do NIL deals at that point And we've seen for example Mikey Williams is is famous um and has been cashing in on his name image and likeness because he's not playing for a you know a state Association school he can still continue to play and with different leagues popping up like Corey you and I talk about overtime We you know and just all the different things going on that becomes less relevant for for players at that level that are choosing to go that route Now in regards um to advice and preparation for this um there's many reasons why I think that NIL is a great thing Um some personal reasons um personal for the athlete themselves and be able to help that But one of the reasons is um businesses want to do

business with um a brand an athlete brand that is positive And so what we're finding is is that um athletes are actually being motivated to be on their best behavior Um and to put forth a brand that is going to be um you know acceptable to businesses and to the masses and this actually doesn't it does have something to do with um on the field or on the court play But actually there's quite a few people that have large social media followings that are not the best players in the country but they're interesting Um They might have a youtube channel or a tiktok or an Instagram or Twitter or or any number of social medias that for whatever reason has been interesting and they've grown a following and they might be the backup tight end Um However because of that and because of that reach businesses are willing to partner with them on nil deals just because of their following And so um I would tell any athlete watching this or anybody that's trying to that would want to help an athlete prepare for college prepare prepare for their nil is be very aware and intentional of your brand um at all times And that typically means best behavior It typically means um even showcasing that good behavior community give back one of the things that we talk to our athletes about when they come on with virtue is that um we want to assist them in becoming legendary which is different from just being a great athlete Um When you're a legend that means that you're tied into your community that means that people um associate themselves with you and connect with you on a level deeper than just what you do on the court or on the field Um That's the different level And so um being mindful of that it it's a it is a different type of approach but all athletes that are interested in wanting to um make money and earn off of their name image and likeness should really start to take that into account their behavior on the court and their behavior off the court and how intentional they are with those things That's excellent That's excellent It's just like we say to um you know middle schoolers hey coaches start looking at your grades in ninth grade you cannot hit your freshman year and have hiccups You've got to start from day one and stay consistent with that So I like what you're saying about this your brand think about it Um Great advice Let's ask you let me ask you this Now is nil is that becoming part of colleges uh recruiting pitches to yeah to a certain level As Ryan Maxwell mentioned it's uh it it can't be used as an inducement Um meaning a coach um isn't supposed to be able to call an athlete and say um we will do \$250,000 in nil deals if you come to our school Um However what some smart people around these programs are doing separate from the school are um starting to do um various forms of uh whether it be a collective a group

of businesses business people coming together to say hey we are going to commit um in the case of like the Texas Longhorns for example we're gonna commit \$10 million towards nil deals We don't know who the athletes going to be but we do know uh we're sending this message across the country to these athletes that if you come to Texas we're serious about it We have money waiting for nil deals Um And so there's various ways that they're doing that There's uh of course Alabama Ohio state several others They made splashes very early on um with some of their key players And I when I say that school I actually mean businesses around that school um made those splashes early by doing and I large in some cases seven figure nil deals with athletes just to show hey um the people around this university the businesses and the fans around this university want to attract the best of the best So if you come here these are the types of deals that would be possible once you arrive on campus Um So that's that's the way it's it's supposed to be going Um I'm sure that there's some gray area um going on that will be brought to light at some point But but that's the way it's going and um this is uh it's hard to even call it the future This is the right now actually And so what you're gonna see is you're gonna see some schools that um accept this and latch on to this very quickly and they will be way ahead of the game and we're gonna see some schools come out of nowhere that a year ago nobody thought could ever be a contender in and they are going to fly past a lot of established universities because of their acceptance of this Conversely you're gonna see some schools that have potentially been like traditional powers that are trying to hold off on this trying to kick this can down the road as much as possible or out and out really just in in various ways try to stop it and you're going to see them go the opposite direction Um because this is happening and we're seeing a great example is what Dion Sanders is doing Um He pulled in the number one recruit in the entire country um followed up by the number four wide receiver in the entire country and you just you know if that doesn't smack everybody in the face to say that this is real this is happening and this is not really the future like a year or two years down the road this is the future right now is what's happening Um And again the schools that adopt this now um and accept it as the way it is um are gonna do very well and you could see the next Gonzaga uh born from a school of similar size random somewhere in the country just because of their acceptance of this and it can happen very quickly I believe it will Did Dion Sanders get those kids through nil deals for the promise of them Yeah I mean so I obviously don't have the knowledge I'm not trying to put him out there like that I would

say that you know there's obviously businesses around him that are very aggressive with that because that I mean it was out there around nil deals like in the figure seven figures were discussed and it was put out on ESPN it was put out everywhere Um that that was the level of of um earning potential or earnings that that young man is gonna make at that university And so I can't say that you know obviously that would be a violation if uh Coach Prime is actually negotiating and making those deals happen himself So I doubt that was the case but there was somebody very close to the program um which by the way is is legal it's legal to do that Ryan Maxwell am I if if you're a business owner and you're not associated with the university you can I mean if you can talk with people about hey you know we have this much money set aside and um how that actually comes out in the news and how that is reported might be different um than how it actually went down Um because obviously it's you know it's gonna draw a lot of eyes and ears if you say this player went to this university because he had seven figures in nil deals Um But I you would have to say that the deal or the potential of those denial deals is how he pulled in a recruiting class like that But I'm gonna assume that it was all on the up and up The only only way that it becomes impermissible is if there is coordination between the business and the university uh it has to be the business alone there cannot be any coordination no direction from the university That's the legal stance Ryan But we both know that there are backroom deals still happening with this so well So I'm sure this So so this this move those um backroom deals and it's and it's well documented um of players who maybe receive cash payments um deposits whatever that might be getting into issue with uh taxes and you know wire fraud and and all of these different things So um the backroom deals are now being moved you know if I'm a if I'm a a top athlete in the country and somebody comes to me about a cash deal under the table there's no need for me to risk my eligibility anymore There's no need for the school to risk any sort of issues anymore Um All of these things should be done legal and above board at this point excuse me Um But that is one of the positives of nil Yeah that is that there's no more Absolutely Tom I want you to discuss the deal that happened with the two top players that went to Memphis um Amani Bates and the other kid Um they had the option of overtime the G league overseas or going to Memphis and they chose Memphis Why don't you explain why that was the smartest deal of those four Yeah Um Well first and foremost the earning potential you know amongst all of those Um now actually college is where you can earn the most Um and I thought it was

great for um fedex to make such a splash Um That's good for all players I know that there might be jealousy and different things that go on but the reality is the bigger deals in the NIO world that happen um that sets the market the market is being set right now And so um obviously to go play for Penny Hardaway and Larry Brown um and that staff and to learn from that staff to learn what it means to be a pro to learn the game especially as young as they are because both of those young men reclassified actually Um And I believe he just turned 18 this school year And so they get to learn they still the college experience Um obviously Corey you know we've been to enough um a great college basketball uh a game like that It's really difficult to duplicate that level of atmosphere Um And I think it does prepare So now they're learning they're starting to get their education and they received um more money through one NIO deal than they would Um you know with a couple of years in the G league um or you know quite a few quite a bit of time spent at the overtime And so um I thought it was fantastic Um and again a big splash early on for an eye out for everybody Yeah I thought that was fantastic for them and I wanna I wanna dig deeper on what you mentioned about the locker room Say you've got guys in a college locker room that have bigger deals than other guys and we're probably still too early to know the outcome of this But do you foresee or what's your thoughts on potential locker room disagreements or tension among the team with deals at with kids at such a young age Like when you get in the uh pro ranks you know they're a little bit more professional with that but with amateurs dealing with this and being 18 years old sometimes what's your thoughts on how that's gonna affect the chemistry within a team It's it's gonna happen it's going to affect Um Thankfully we we've been blessed that some of the athletes that we've done these larger deals with um like you know the six figures and beyond Um business opportunities are just top notch human beings Um And so uh we actually didn't see or hear of any of that Um And part of this NIO world is um you know growing up for athletes maybe a little bit quicker than they used to Um Because typically when you reach the college level you were the man in your hometown you were the man in your little bubble and then you get to college and you become the man a little bit more regionally But now you're with a bunch of other alphas that are also the man and you and Corey is well documented the different um you know things that athletes go through in their own locker room If if people are watching this and thinking that every locker room is just peachy keen even the ones that look like it on the surface I hate to burst your bubble but it's not

the case that's been going on for years when it comes to playing time or thinking that the coach favors them or maybe they're the same position maybe uh one assistant coach recruited the point guard and another assistant coach recruited to point guard And so they're trying to get both those guys on the court for their own job All these things have been going on for a very long Well um again we've been working with um we believe really high character people that um we did we've not heard of any but it's going to happen It's probably already happened Um and it will continue to happen but it's just the next level of maturity for everybody um to learn uh you know that this is how it works and so work at this is you know and and by the way we we have had I will share we have had athletes come to us that we work with that maybe aren't as high profile Um So what we'll do on their behalf is OK let's get a game plan together to where you can grow your influence Let's try to look at something a little bit different Um Because you know you're on the field performance maybe the position that you play is not naturally conducive to the the historical big deals But let's work on your personality Let's work on maybe you utilizing your social media to interview other players to show your personality to bring out their personality and to grow your followers Once the followers on your account jumps then we can go to businesses and negotiate larger deals And so you know the emotions are gonna come Um but they they've always been there Corey and you know that and so this is just another one that needs to be managed properly Um But it is going to be there good and bad And if I could add to that I think that that also um goes to the value of a company like beer juice as well is because uh the possibilities of problem within the locker room are far less when the player is not even focused on getting those deals are working those deals when somebody else is doing that for them It's not the topic of the conversation every day because he's not focused on it He's not hyper focused or she's not hyper focused on it So I think that also speaks to the benefit of having someone outside of the locker room who is going and working for these student athletes Yeah perfect pitch there Let's move back to the prep school guys real quick Um And I wanna give you an example here You tell me if it's got legs or not say I'm going to do a post grad year in a small town in New England And I want to practice my negotiating skills my contract skills Um My social media skills Could I in theory walk into the local sandwich shop and say hey uh I would like you know to work a deal with you I'll do 10 social media posts for 10 sandwiches over the course of of four weeks Um We'll write up a little contract you negotiate back and forth on it

and bam the deal's done if if if you're in a prep school and under no association rules you could technically do that Right Yes Yes you could As long as Yeah Yeah And is that something you uh to me from my point of view I'd recommend kids doing that because it's very small but you're at least you're at least starting that foundation of having a conversation with a real life business person working on a basic contract negotiating Maybe you want 20 sandwiches instead of 10 maybe the business owner one only wants to give you five Like to me I see these as being little baby steps to where when you do get to college uh you're just not doing this for the first time I think that yeah I I think it's a great Corey One of the things that I would recommend though is um keeping it as simple as possible right now because you know we proper paperwork when it comes to these nil deals um is not you know a one paragraph Um There's a lot of different things that come with this And so I'd also say you know um keep everything as simple as possible while you are learning Um If you're going to do this because you'd hate to you know get into some kind of legal battle over five sandwiches that you think that you were owed you know when you made your 10 posts So just keep it simple at this point Um But yes I I do think that it is this is a great way to you know to to educate everybody on how the real world works I just see this as being like a great extracurricular class at a post grad year Uh I don't know if it's it falls into on entrepreneurship or what but hey you know we have 15 kids in class go in the community and try to make a deal We'll go over contracts we'll go over negotiations we'll bring in the business owners and talk to them and you know whether they're gonna do this in college or not what a great life skill to have I think so And and you know Corey I part of what we are getting into now is the education side of it Um There are some uh post grads um and uh large teams that frankly they do pump out superstars they pump out you know high major division one division one players in future NBA players and they will be dealing with this the next year And frankly it part of it might come up during their recruiting process Um So it is you know something where people do need to get more familiar with this and uh and learn as much as they can because it's it's out there that this is um simple and and it's just not as simple as everybody would like it to be Um when you start to get into contracts and and somebody delivering on a contract that they signed and then the expectations of the person that put that contract in front of them gets very convoluted very quickly even over a very small amount of money And Tom we're not and Corey we're not even uh touching the tax implications that we're talking about when these student

athletes start earning money and and how uh they need to be protected or or or alleviate those tax burdens as much as possible and how they can do that Um which is a topic uh that deserves its own pod cast But those are just you know you have your contract negotiations but once you make that money are you getting paid as an end of the or has somebody done their due diligence and set up a business for you Are you are you an LLC yourself uh where uh in order that you can alleviate some of those tax burdens So um it it is it is far more complicated than uh than simply going out and saying I'm gonna uh for exchange for 100 bucks I'm gonna give you an Instagram post and then we're gonna you're gonna pay me as the individual Well that's income and you're gonna get taxed on it So you know these are all concerns that have to be addressed as well I'm assuming you have all your clients to create their own own LLC That is correct Uh We do we do we do that we bring a client in we will form an LLC for them And so the endorsement deals are actually made between the business and the LLC itself So the business will pay the LLC Do you guys incorporate in Delaware and Nevada or do you guys incorporate in the state that the student resides in We we don't advise our clients on where they are to register For example we have several clients who are from the state of Florida Um I will take a client from the state of Florida any day and tell them that you know that that's the place to to to uh register your LLC because you're uh not getting uh your income tax Uh so uh it it really is a case by case basis Um depending on the student athlete guys Tell me tell me situations uh where NILS don't work I know the military academies like my alma mater of Air Force you cannot do it I know some foreigners are having issues with their visa which we talked about Tom tell me who cannot do an nil deal Well Tom if you don't mind I'll I'll take the uh um this on the F one visas first Uh So currently as it stands that if you are on an F one visa um you cannot make money for your uh name image and likeness unless uh you file for an exemption And the way that works is that you are able if you file um through the Department of State uh an exemption on your F one visa you can make money if you are doing it in the area of your study So for example if you are a communication major it's it's um it's plausible that as a communication uh major you would need experience on being a spokesperson So you could make money as a spokesperson endorsing a product Uh That's how it currently stands Uh but you have to file that exemption Um and that is a process that takes time uh and and and and guidance to to do that So that's how the F One Visa program works Now it seems like uh if I'm recruiting a foreign player that's gonna be on a Visa

we're just gonna tell him look you're gonna be a communications major as minimal as possible and then you minor what you really want to do and then I guess within near amount of time guys like you are gonna have the exemption all figured out and have a boiler plate for it That's correct But just right now you're starting for the first time So a player we mentioned uh Tom is Oscar she who's arguably having one of the best performances in college basketball this season He's a big man for Kentucky But even though he's having such a stellar season since he's on an F one Visa he cannot take advantage of this You wanna explain a little bit more about that You you just said it and and to follow up with what what Ryan said that's why he can't earn at this point And um Oscar's obviously been just an exemplary human being uh throughout this whole process He's still sticking around after games and signing autographs just for free just to just to help people um to make them feel special that but that's the way Oscar has always been Um and you know II I have a feeling that he'll get that worked out at some point Uh if anybody would need an exemption or deserve an exemption within the state of Kentucky I think he's got to be at the top of the list Um and you know something come came across our plate today that we do need to talk about and actually goes to Oscar is um and why you need to be careful in this space It was brought to our attention that um somebody's actually making bootleg Oscar t-shirts several times A couple of times with our athletes are are really popular athletes that um some third party somewhere um makes t-shirts or gear with that athlete's name image and likeness on it with without their knowledge And so that's where you know having a uh full time in house counsel helps Ryan Maxwell will send to cease and desist and we'll take further action if necessary But um there's a lot going on out here with this stuff Yeah I used to in college I worked security at Red Rocks Amphitheater out here in Colorado And my job is to be next to the stage because I was you know 67 But my other buddy who was smaller his job is to roam the parking lot and uh confiscate all the bootlegged band t-shirts So after the show he'd be like what size are you And we'd have we'd all have these tie dyed bootleg T shirts that would be part of our payment So that's been happening for for eons now So not surprised to hear that Tell me this Tom off the top of your head and and Ryan if you know too uh can you give me some examples of some real unique or interesting deals that students across the country might have gotten that are kind of unique or quirky or interesting Yeah Um you know as as far as as far as I mean for me one of the reasons this was formed was for the personal uh Corey you know this about me and you share in the

same way we're so pro athlete from a human perspective Um a lot of these athletes are looked at it It's almost like a video game I'm I'm still trying to find a better way to describe it where they are just pawns on a screen to entertain people Whereas um we've been involved at the grassroots level for so long that you start to actually you know know these athletes and recognize that they're just like everybody else they have great things going on in their life and many of them have a lot of you know very tough things going on in their life right now And so to me every single deal um and I know this is this is not trying to be a cop out to your question but every single deal to me is incredibly interesting because it is setting a market that I believe is going to change lives for so many people Um I won't get into any any names or anything like that but there was an athlete a five-star athlete um who signed their letter of intent um a month or so ago Um And the same week um family was getting evicted from an apartment um the very same week and so on the surface again from the you know entertain me you're upon on television Nobody actually really seemingly would care Um And actually some people would be intimidated Um that a young man 18 years old could you know if it was permissible um And he wouldn't lose eligibility could have done one nil deal that changed his family's life forever you know a \$10,000 deal a \$20,000 deal just for maybe signing some jerseys or whatever it might be Sets his family on a totally different course And so to me when I see the twins the two girls that play at Fresno that with it uh was it Boost Mobile I think I thought that was great Um I think of course the Fedex deals I thought were fantastic Um You know there's just been a lot going on and I think they're gonna get more unique If people are getting smart they're understanding the guidelines And I think that you'll see I think part of the future is um nonprofits that are able to essentially uh pay athletes to do community service Um and and really impact lives to where it's just wins all around for everybody Everybody's winning in this scenario Um I think that they'll be that that that'll be coming down the line Um and you know we've done fun deals like one of our our very first deal actually made Um it it was named the ESPN Nil deal of the week and there's an offensive lineman at the University of Kentucky Billy mccall He's got this great magnanimous personality Um He's a defensive tackle big guy just just dominates the middle and uh the first post is him um sitting on a you know on a tractor and it was just kind of I mean he's you know it it went viral Um And again ESPN named it its deal of the week It was and it was because it was quirky it was completely unexpected Um The business loved it Uh Bully had a good time

with it And uh you know but but there's been there's been quite a few of those and if I can add another one we we actually orchestrated a deal between a vet clinic and a current UK basketball player and his dog He has a uh uh emotional support animal So the contract was actually between the vet clinic the player and the dog uh to endorse the vet clinic So that was an interesting one And to Tom's point about um uh partnering with nonprofits uh we were able to do that on on with our first client And to show the impact that nil can have is uh we were directed by our client to partner with uh a nonprofit that he and his father had started And um uh within several months of working with him we were sitting across from the Senate President of the Kentucky General Assembly uh where we were getting assurances from the General Assembly that they would take up their issues and actually make a positive change in our in our community So what we're seeing is in nil is not just the money grab and it shouldn't be considered it's just a money grab It should be a way to empower athletes for them to be able to see that Hey my value is much more than what I do on the field My value is as an individual is what how I can make a positive impact in my community So we were fortunate to work with a student athlete from the very beginning who saw that and was able to affect positive change So it's not just the money grab And I and I think that that's an important uh note to make that that it really is about a way for uh for student athletes to be empowered to see their value as an individual I love that It's a great story Ryan Thanks for sharing that That's that's good Intel I never even thought of that before So um we're talking about the big sports here at basketball and football can smaller sports like golfers swimmers tennis Do they have marketability out there And Tom is it if they're interesting and have like some personality to it This is the same thing with the smaller sports sports as it is the bigger sports Yeah it it is And and um I believe there's a gymnast from I believe LSU that's one of the highest earners in nil to date Um and you know with each of those sports that aren't you know the the big two big three you know there is a large uh portion of people that still follow that and businesses that directly support that So whether you're on the tennis team there's massive uh manufacturers of equipment um and other you know things that there's a there's a huge following in tennis for example huge following in golf There's a lot here Now They've not been prioritized as of yet as I mentioned earlier on I think the businesses are everybody's taken somewhat not just everybody but most the majority have taken kind of a wait and see approach on how all this works and how this pans out Is this done correctly to the athletes When is

there any major scandal Is there anything you know everybody's still trying to kind of figure this out Um But we're seeing more and more um the you know more businesses come to the table recognizing how important this is um to frankly you know boost their business Um you know most of these businesses are fans of a certain university that they are doing these deals with But what we found with each business that we work with is that they actually do receive getting power from doing these deals because of the appreciation that the fan base has um for them investing in an athlete Because what that does is that makes the that university more attractive for other athletes to come and the fans know they'll get better players if everybody's going in on these nil deals uh if they're better players it's a better product on the court Um which means everybody's happy at that point And so um so far businesses have been very happy um doing these deals Um And we expect more to come and you know it's gonna reach every niche it is gonna reach you know baseball will be big the women's sports will be huge I I actually believe that the women's sports will be just as big as uh the men if not bigger Um And that's all coming down the pipeline very quickly Oh that's great Uh Let me ask you about a specific example here to a kid in Kentucky and his future marketability and that player is reed Shepherd now Reid Shepherd is one of the top guards in the class of 2022 He's 22 right now 23 Oh he's 23 Ok So Reed Shepherd is one of the top players in 23 His father Jeff Shepherd played at Kentucky 1998 Uh final four Most valuable player played in the NBA for a few years and pretty good businessman as well and read is is being touted and the rumors I've heard is being one of the most marketable players that will be uh in the NC A in a few years You and I know and Ryan you know about uh Kentucky uh basketball fandom and I think most people listening this do as well But what makes Reed shepherd so marketable for nil purposes Yeah So there's a couple of things with Reed First of all this is this is a personal one for me I I've had the privilege of knowing Reed since he was in kindergarten and watching him play as a first grader play up against fifth graders and not just hold his own but be one of the best players on the court Um but Reed um and his family are just they're absolutely incredible people Um And I I'm not trying to sound cliché they really are very genuine Um Reid is starting to show his personality a little bit but he's already had it They're clever they're funny Um And they're just phenomenal people Now what makes we just got to see with one of our clients Um not only are they great off the people off the field not only are they very very good on the field or on the court But staying in your home state and staying with that home

school in your home state being from there is going to be something that I think is gonna change and it's going to um you'll start to see quite a few athletes go ahead and stay home um because that increases their marketability um multiples um if you decide to stay home um and I I think we're gonna see that and I think Reed has the potential to be an example of that actually um to where everybody will look around and say man I'm you know I'm staying home Um if you're the number one football player in the country and you're from uh you know college station you might want to stay at A and M um for those deals for that stuff Whereas in the past you know maybe some kids want to get away from home a little bit more Um they might want to travel they might want to get outside of their state I think this will keep people more at home but on top of re being really good at basketball on top of them being amazing people um their whole family and the reputation that they have um staying in your home state and committing to the home state school is going to be the reason why his marketability is that high if he would have chosen the University of Virginia which was a great option for him Fantastic option Um We would not be talking about his nil status um being as high as it is projected Got you OK Thanks for sharing that We've talked a lot about this today guys Is there anything about the nil world we have not discussed yet or you think we need to go over um before we end this Uh Well I think you oh go ahead Tom Yeah II I think um Ryan Maxwell and I could dive into any one topic on nil four hours This is definitely the the 101 info um class We're we're very passionate about this Um And one of the things I'm really I'm happy to see is that overall the response from the fans in regards to nil has been pretty positive uh uh pretty overwhelmingly positive actually they like it they get into it Um You do have some you know that on the front end we're saying this is gonna ruin sports this is gonna ruin athletics and whatnot and and you'll always have that but I think um everybody's enjoying it A lot of these deals have been clever They've been fun random and it's all just new you know over time the market will level out um in in some way it just it it will Um but we are just believers that overwhelmingly this is a very positive thing for the personal reasons that we talked about earlier Um and you're starting to see more and more people come around to the fact that yes this college athlete that might be 19 years old he might make a million dollars while wearing that jersey He might um but they're also great kids It's also changing their family's trajectory forever Um It takes away some of the worry of you know if a kid's gonna be injured and not have a pro career Um and the the tragic stories that we've heard in

that realm Um but yes it's it's so far it's been overwhelmingly positive and we're just really excited and feel super blessed to be able to work with these athletes um who by and large are just great people just you know big kids young men and women um trying to figure this out and if I could just uh add uh from the attorney's perspective um advice to young people and their families uh it's do your due diligence don't just enter a agreements because it seems attractive at the time you know \$1500 for a post on Instagram Don't just do it Make sure that you have someone who is reviewing this contract make sure that they are the most favorable terms for you as a student athlete as possible make sure you are protected as a business make sure you're protected as a brand So if I could just my my last message to you and to your audience would be as a student athlete protect yourself protect your brand protect your business Um uh The best way that you can Yeah and Ryan if people have questions where can they find you But you can contact us at info at the beer brand dot com Uh would be the easiest way to go about that or uh my personal email is R Maxwell at the beer too brand dot com Tom Yeah same um info at uh the virtue brand um and T Bauer at the virtue brand dot com No I'm sorry Tom at the virtue brand dot com Nice We'll just for everyone listening We'll put info at virtue brand dot com in the show notes So if you want to reach out to these two guys with questions you can actually do it Uh you can represent uh players from any 50 states of the 50 states Ok Yes And and uh there's also a lot of info It it really lists out the different services that we provide to athletes but each of those services are things that athletes need to take into account um in businesses as well when they start to enter this world of nil Um Ryan talked about the uh the protection side of it Most of the conversations um I'll have a lot of conversations with athletes Um they want to center around how much do you think I can earn How much do you think I can earn Um and that is you know quickly um changed when we realize when we talk to them about the exposure and potential pitfalls um that a lack of protection um would bring And so um I would highly recommend everybody just check out our website um start to you know familiar familiarize yourself with um all the different things that we do because those are things that you'll need to think about whether you work with another company or work with anybody at all We've um the protection element is number one in what we talk about although it's not always the most sexy It it should be um because you might be signing a \$1500 deal and think it's simple and small but in the fine print it says oh and by the way we're able to use your name and and likeness for the rest of your life and

those little things can be thrown in in so many different ways Um And you know very very smart people would would fall for that And so it's not a matter of you know the intelligence it's a matter of paying attention to the detail and staying protected throughout this Yeah And you know I do business on the outside as well in real estate and environmental cleanups And in the old days we hired a normal lawyer to try to figure out environmental law And then we ended up paying a little bit more for an environmental lawyer And that guy did environmental law every single day of the week he knew all the regulators he knew the judges he knew the other lawyers So while we actually paid more per hour for the guy that specializes in environmental law we actually save money in the long term because he was an expert in that field So sounds like you guys are experts in the nil field and you know it inside and out and you would be just a great resource for people looking to to potentially get into this So yeah perfect Well Ryan Tom thanks so much for joining us today and giving all of us uh nil 101 here uh on the prep athletics podcast We just found out before the call Ryan and I are a year apart and went to rival high school So we've probably seen each other at a party back in the mid nineties and didn't even know it So it's it's always good to talk to uh fellow Kentuckians and and Tom and I uh Tom's been on the podcast before with a au and Tom's the reason this podcast even exists So it's good to talk to you guys and and share your thoughts um real quick if you guys enjoyed this be sure be sure to subscribe to the youtube channel We got all the podcasts plus bonus content Uh This podcast can be found on all the major podcasting platforms If you guys have any questions on Nils there'll be uh links in the show notes to these two guys or you can always reach out to me with any questions And uh thanks so much for tuning in Ryan Tom Thanks for joining us Thanks for having us Thank you Corey and we'll see you guys in the next episode here in the prep athletics podcast Have a good day